

QUEBEC MATTAGAMI MINERALS LIMITED

Suite 1705, 80 Richmond Street West
Toronto, Ontario

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and a Special General Meeting of the Shareholders of QUEBEC MATTAGAMI MINERALS LIMITED will be held in the New Brunswick Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario, on Monday, the 29th day of January, 1968, at the hour of 10:00 o'clock in the forenoon, Eastern Standard Time, to:

- (a) receive and consider the Annual Report, the financial statements and the report of the auditors;
- (b) elect Directors;
- (c) appoint auditors and authorize the Directors to fix their remuneration;
- (d) consider and if approved, confirm with or without variation a resolution (a copy of which is attached hereto and forms part hereof) passed by the Directors of the Company among other things approving the terms and conditions set forth in an agreement dated the 28th day of December, 1967 as amended by agreement dated the 2nd day of January, 1968 made between the Company and Anglo American Corporation of Canada Limited which agreement will be submitted to the meeting and is available for inspection by the shareholders at the Head Office of the Company during business hours; a summary of the agreement is set out in the information circular accompanying this Notice;
- (e) transact such further or other business as may properly come before the meeting or any adjournment thereof.

A copy of the Annual Report accompanies this Notice.

As a substantial representation of the shareholders is required if you are not able to be present personally at the meeting, kindly sign and return the enclosed instrument of proxy in the envelope provided for that purpose.

DATED at Toronto this 9th day of January, 1968.

By Order of the Board of Directors,

R. A. CRANSTON,
Secretary.

SPECIAL RESOLUTION

The Chairman then submitted to the meeting letters dated December 28, 1967 and January 2, 1968 from Anglo American Corporation of Canada Limited containing an offer to guarantee to the extent of 20% the bank loan to Agnew Lake Mines Limited in the aggregate of \$33,000,000.00 or to purchase 20% of units of common shares of Agnew Lake Mines Limited and 7% First Floating Charge Debentures, all upon the terms and conditions set forth in the said letters dated December 28, 1967 and January 2, 1968.

After discussion,

Upon motion duly made, seconded and carried (Mr. Jenner disclosing the nature of his interest and refraining from voting) IT WAS RESOLVED that the said offer of Anglo American Corporation of Canada Limited be accepted subject to such changes, amendments or variations thereof as the President of the Company may deem it expedient to make or approve which approval shall be conclusively evidenced by execution of the said letters by the President and that the implementation of the transactions contemplated thereby be authorized and that the President and the Secretary be and they are hereby authorized and directed to accept the said offer by executing under the corporate seal of the Company and delivering the said letters.

QUEBEC MATTAGAMI MINERALS LIMITED

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Quebec Mattagami Minerals Limited (the "Company") of proxies for use at the Annual and Special General Meeting of the Shareholders of the Company and at any adjournment thereof to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. The solicitation will be made primarily by mail but proxies may also be solicited personally by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons designated in the enclosed form of proxy are officers of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so by striking out the names of the persons designated and by inserting such other person's name in the blank space provided in the form of proxy.

Each such form of proxy may be revoked by the shareholder at any time before it is exercised.

EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. IN THE ABSENCE OF SUCH DIRECTION SUCH SHARES WILL WITH RESPECT TO THE PARTICULAR MATTER TO BE ACTED UPON BE VOTED FOR SUCH MATTER. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no other matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES

On December 1, 1967 the Company had outstanding 2,449,500 shares of \$1.00 each, carrying the right to one vote per share so that the aggregate number of votes attaching to all the outstanding shares is 2,449,500. The Directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company. All shareholders of record on the books of the Company at the time of the holding of the meeting will be entitled to vote at the meeting.

ELECTION OF DIRECTORS

The Board consists of five Directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the Board of Directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for

another nominee in their discretion. Each Director elected will hold office until the next Annual Meeting and until his successor is duly elected, unless his office is earlier vacated.

The following information is furnished with respect to each person proposed to be nominated for election as a Director:

<u>Name</u>	<u>Became Director</u>	<u>Shares</u>
James L. C. Jenner, of Etobicoke, Ontario, is President of the Company. He has been for the past two years a registered representative with Wills, Bickle & Co. Limited and prior thereto was a partner with the firm of Lang, Michener, Cranston, Farquharson & Wright, Barristers, and its predecessor firms.	1966	100
Wilmot L. Matthews, C.A., of Toronto, Ontario, is Vice-President of the Company. He is and has been for the past three years an analyst and investment counsellor with Fry Investment Management Limited and for the prior two years was a student.	1966	122,000
J. Douglas Streit, of Willowdale, Ontario, is and has been for the past five years a geologist and a member of The Toronto Stock Exchange and an officer, director and shareholder of J. Bradley Streit & Company Limited.	1952	2,550
Robert A. Cranston, Q.C., of Toronto, Ontario, is Secretary of the Company. He is and has been for the past five years a partner with the firm of Lang, Michener, Cranston, Farquharson & Wright, Barristers, and its predecessor firms.	1966	4,500
Delbert R. Wilson, of Willowdale, Ontario, is and has been for the past three years a Consulting Mining Engineer and for the prior two years was Manager of The Canadian Faraday Corporation Ltd.	1967	500

REMUNERATION OF DIRECTORS AND OFFICERS

During the past fiscal year the aggregate remuneration paid or payable by the Company to the Directors and senior officers of the Company was \$2,300.00.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Messrs. McCormack, Barker & Wesbrook, Chartered Accountants of Toronto, as auditors of the Company to hold office until the next Annual Meeting of Shareholders. They have been auditors of the Company for more than five years.

PARTICULARS OF MATTERS TO BE ACTED UPON

By an agreement dated March 3, 1965 between the Company and F. R. Burton and assigned by the said F. R. Burton to Kerr Addison Mines Limited (Kerr Addison) as amended by an agreement dated April 7, 1965 Kerr Addison acquired from the Company an 80% interest in twenty-six unpatented mining claims numbered S129001 to S129009, both inclusive, S129011 to S129015, both inclusive, and S127987 to S127998, both inclusive, (the mining property) located in Hyman Township, in the Sudbury Mining Division, for \$25,777.00. The agreement provided inter alia that Kerr Addison would have the right to cause a new company to be incorporated to acquire the mining property and if it had expended \$280,000.00 or more in doing mining work on the mining property prior to the date of the incorporation of the new company it would have the right to transfer and convey to the new company the mining property in consideration of the issuance by the new company of a number of fully paid and non-assessable treasury shares equal to one-quarter of the authorized capital of the new company, the shares to be issued 80% to Kerr Addison and 20% to the Company. The new company, Agnew Lake Mines Limited (Agnew Lake), was incorporated by Letters Patent dated June 1, 1967 with an authorized capital of 3,000,000 shares without par value. Kerr Addison having certified that it had expended on the mining property the said sum of \$280,000.00, the mining property was transferred to Agnew Lake and the Company received 150,000 shares of Agnew Lake and Kerr Addison 600,000 shares of Agnew Lake. The agreement of March 3, 1965 provides that so long as the Company is the registered owner of at least ten per cent of the common shares of Agnew Lake from time to time outstanding then (i) Kerr Addison will vote its shares to elect as a director of Agnew Lake one nominee

of the Company; (ii) no common shares or convertible securities of Agnew Lake will be allotted or issued or sold except pursuant to offerings made pro rata to the registered holders of common shares of Agnew Lake; (iii) no pro rata offerings shall require acceptance within sixty days; (iv) in no case during any period of six consecutive months shall there be an offering inviting the raising of more than \$500,000.00 except for the purpose of financing the mining property into production; and (v) Kerr Addison shall have the right to purchase at the offering price within thirty days from the expiry of the offer all common shares or convertible securities offered and not subscribed and paid for in full.

Agnew Lake proposes to bring the mining property into production and has created \$45,000,000 principal amount of 7% Debentures and it will offer from time to time pro rata to its shareholders the right to subscribe for an aggregate of \$45,000,000 principal amount of 7% Debentures and 2,250,000 common shares of Agnew Lake in units consisting of \$1,000 principal amount of Debentures and 50 common shares at a price of \$1,000.00 per unit. The Company desires to subscribe for additional shares of Agnew Lake. For this purpose, and on the assumption that Agnew Lake will be brought into production at the rate of 3,000 tons per day, the Company entered into an agreement dated December 28, 1967 as amended by agreement dated January 2, 1968 with Anglo American Corporation of Canada Limited (Amcan), P.O. Box 28, Toronto-Dominion Centre, Toronto 1, Ontario, pursuant to which Amcan, in consideration of the transfer to it of 75,000 of the Agnew Lake shares now held by the Company and a right of first refusal to purchase the remaining shares of Agnew Lake held by the Company from time to time, will undertake to purchase 20% of the units aforementioned to a maximum amount of \$9,000,000.00. The agreement provides that so long as the purchases of such units by Amcan do not exceed \$6,600,000.00 then one-half of all such shares will be held by Amcan for the account of the Company and should Amcan be required to purchase additional units after it has purchased \$6,600,000.00 aforesaid then all of the entire interest of such additional units shall belong to Amcan absolutely unless the Company shall not less than fifteen clear days prior to the expiration of the time when such additional units are required to be taken up satisfy Amcan that it can with respect to such call provide one-quarter of the funds required to be supplied by Amcan in which case the Company and Amcan shall take up such additional units in the proportion of one-quarter the Company and three-quarters Amcan. The agreement further provides that to the extent that the Company now has or hereafter acquires mineral properties which are susceptible to further development that it will so long as the income debentures hereafter mentioned remain outstanding not dispose of or otherwise deal with the same without first offering such properties to Amcan on terms and conditions not less favourable than those upon which it is otherwise prepared to dispose of or deal with the same. Amcan has agreed that forthwith after the closing of the transactions contemplated it will advance to the Company to be used by the Company primarily for approved mineral exploration purposes the sum of \$150,000.00 to be secured by an income debenture of the Company upon the interests of the Company in Agnew Lake bearing interest at 6½% per annum, such debenture to be convertible for shares of the Company at \$1.00 per share at any time up to and including December 31, 1972 and failing conversion be repayable in three equal semi-annual instalments of \$50,000.00 commencing June 30, 1973. The debenture will also contain restrictions on further borrowing by the Company and provisions proportionately increasing the number of shares issued to Amcan in the event that the Company issues or agrees to issue further treasury shares prior to conversion. The Company has one nominee on the board of directors of Agnew Lake and it has agreed to relinquish this right to a nominee of Amcan. The agreement also provides that should it become necessary in Amcan's opinion to facilitate the completion of the transactions contemplated by the agreement dated December 28, 1967 as amended by agreement dated January 2, 1968 that the Company will assign to Amcan one-half of its present share holdings in Agnew Lake and its entire interest in the agreement of March 3, 1965 with Kerr Addison.

If and when the transactions close a special fee of \$5,000.00 will be paid to the President of the Company for his services in arranging financing for the Company and a commission of \$10,000.00 will be paid to Wills, Bickle & Company Limited by whom the President is employed and it may be that the President will receive a portion of this commission.

January 9, 1968.